



POTI FREE INDUSTRIAL ZONE



FREE INDUSTRIAL ZONES

where business works



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www.potifreezone.ge

Basic Concept of Free Zones

WIN-WIN Business

Basic Concept of a free-zone is to free an entrepreneur of all restrictions and enable to build cost competitive long-time self sustaining business enterprises which can serve customers all over the world and generate direct/indirect economic development in the place of its location.

The freedom from restrictions include preferences on state taxes / duties, simplified import/export procedures, local / municipal laws, etc. An entrepreneur operating in a Free-zone, can focus full time on his business, with less diverting of his attention on Tax / Regulatory matters and therefore is able to build business in the shortest possible time and with minimum possible resources.

Basic Concept of Free Zones

Win-Win Business

Free Zones have enormous positive effects for the economy of the country where they are located. These are reflected in the form of (not limited to):

- Increase of local direct and indirect employment through the generated value chain of Manufacturing, Processing, Assembly, Trading, Service, Logistics, Construction, Contractor companies
- Higher outputs in logistics/transportation
- Increased turnovers for Ports, Airports, Railways
- Revenue from taxes on sales in the local country from the Free-zone based companies
- Labor skills developments
- Country export and transit turnover growth
- Substantial growth of service businesses associated with the demands of functioning Free Zones, i.e Airlines, Hotel/ Tourism, Retail & Entertainment sectors etc. It also leads to development of ancillary Units and Services outside the Free-zone.
- Increased PIT/VAT revenues for the state budgets
- Allowing local production to compete internationally
- Increased deposits and banking transactions

Best Practices

Many countries' economies have witnessed substantial growth through fully functional Free Zones. The best practices come from Turkey, UAE, China, India, Middle East.

Turkey is one of the notable ones, where Industrial developments through the Free Zones have started from late 1980s. That led to the current status of Turkey as one of the leading industrial economies of the world. There are currently 21 operating Free Zones in Turkey, with annual trade turnovers reaching more than 30 bln USD.



Poti Free Industrial Zone

RAKIA GEORGIA FIZ LLC established the first Free Industrial Zone in the Caucasus region in the Black Sea port city of Poti, Georgia. Poti Free Industrial Zone is fully functional since November 15, 2010

Company was created in June 2008 by RAK Investment Authority (RAKIA), UAE Governmental Nodal Agency.



Government of Ras Al Khaimah
RAK Investment Authority

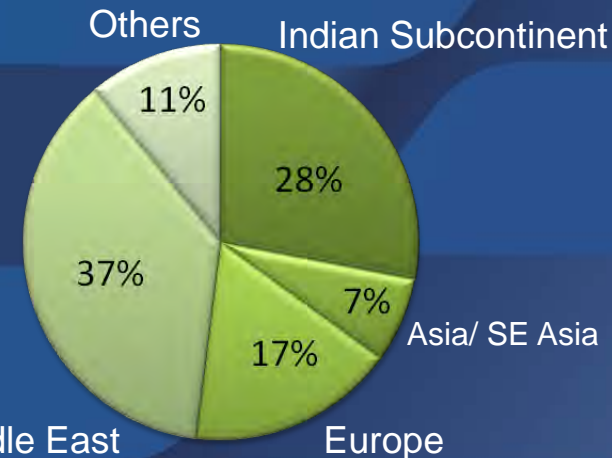


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Promoters Profile

RAKIA has expertise in developing free zones and managing the ports in various parts of the world (UAE, African Continent, India). Its own free trade zone consists of three business parks: for trading and services, for heavy and SME industries, warehousing of raw materials and for manufacturing. Established in 2005, the RAKIA Free Zones have more than 4000 registries companies with trade turnover of around 10 billion USD.

Global Investment Pattern



Mission and Vision

- * To offer complete end-to-end solutions and efficiently cater to investor's timely needs. To ensure minimum transaction time and cost value that would enable smooth startup and running of business.
- * To become the most successful regional trade, industry and logistics development centre. To create wealth and employment and to facilitate sustainability and profitability for every investor



POTI FREE INDUSTRIAL ZONE

Project Details/Location



Situates on the historic Silk Road between East & West, adjacent to Poti Sea Port – one of the largest and oldest sea port on the Black Sea.



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POTI FREE INDUSTRIAL ZONE

Project Details/Location



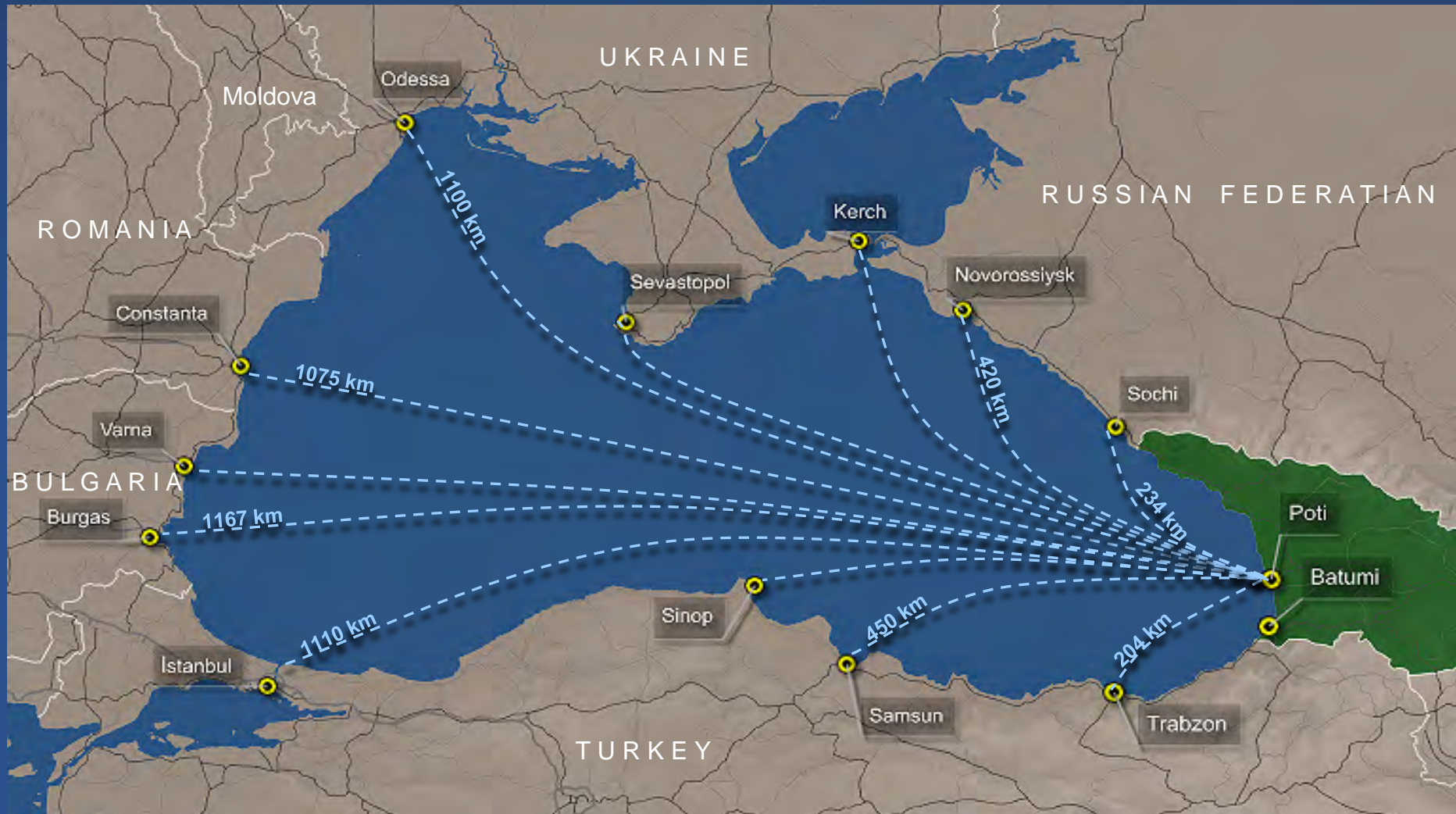
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POTI FREE INDUSTRIAL ZONE

Project Details/Location



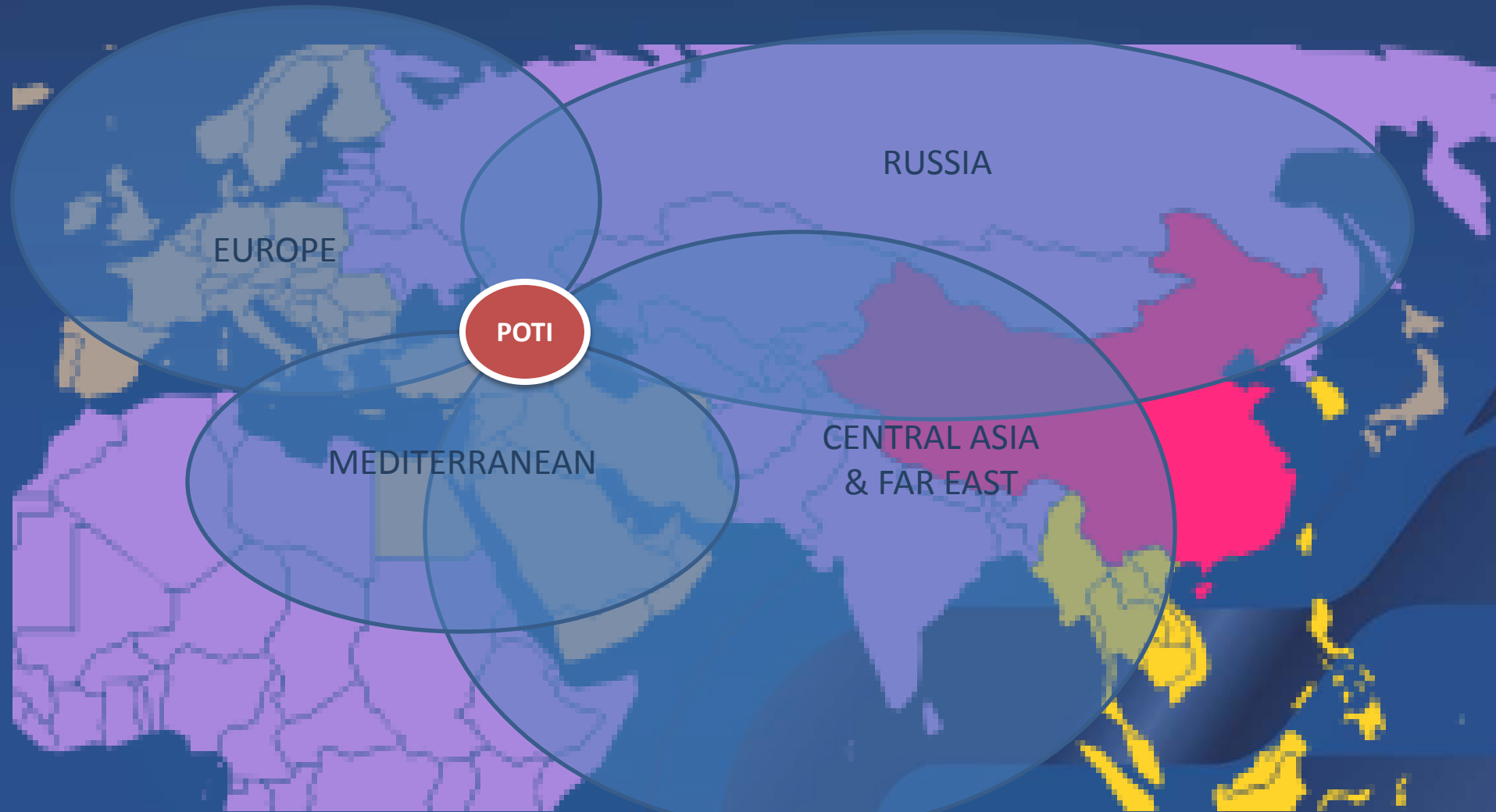
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POTI FREE INDUSTRIAL ZONE

Project Details/Location



Strategic Geo-Political and Economical location
With easy access To EU and CIS markets.



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Poti Area

Infrastructure



New Port

PPT

Poti Sea Port

Poti FIZ

Electro
Substation

Poti RW
Station

To Batumi
70 km

Railway

Road

Poti Airport

To Tbilisi
320 km

Free Zone Area – 3.028.000 sqm.;
Roads Area – 543.757 sqm.;
Main Custom Area – 73.500 sqm.;
Railway Area – 18.900 sqm;
Business Tower 1 – 5.000 sqm.;

0 500 1,000 2,000 Meters



POTI FREE INDUSTRIAL ZONE



POTI FREE INDUSTRIAL ZONE

Infrastructure



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Infrastructure

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Project Details



Railway Access to Poti FIZ



Electricity Sub-Station adjacent to Poti FIZ



Customs Zone

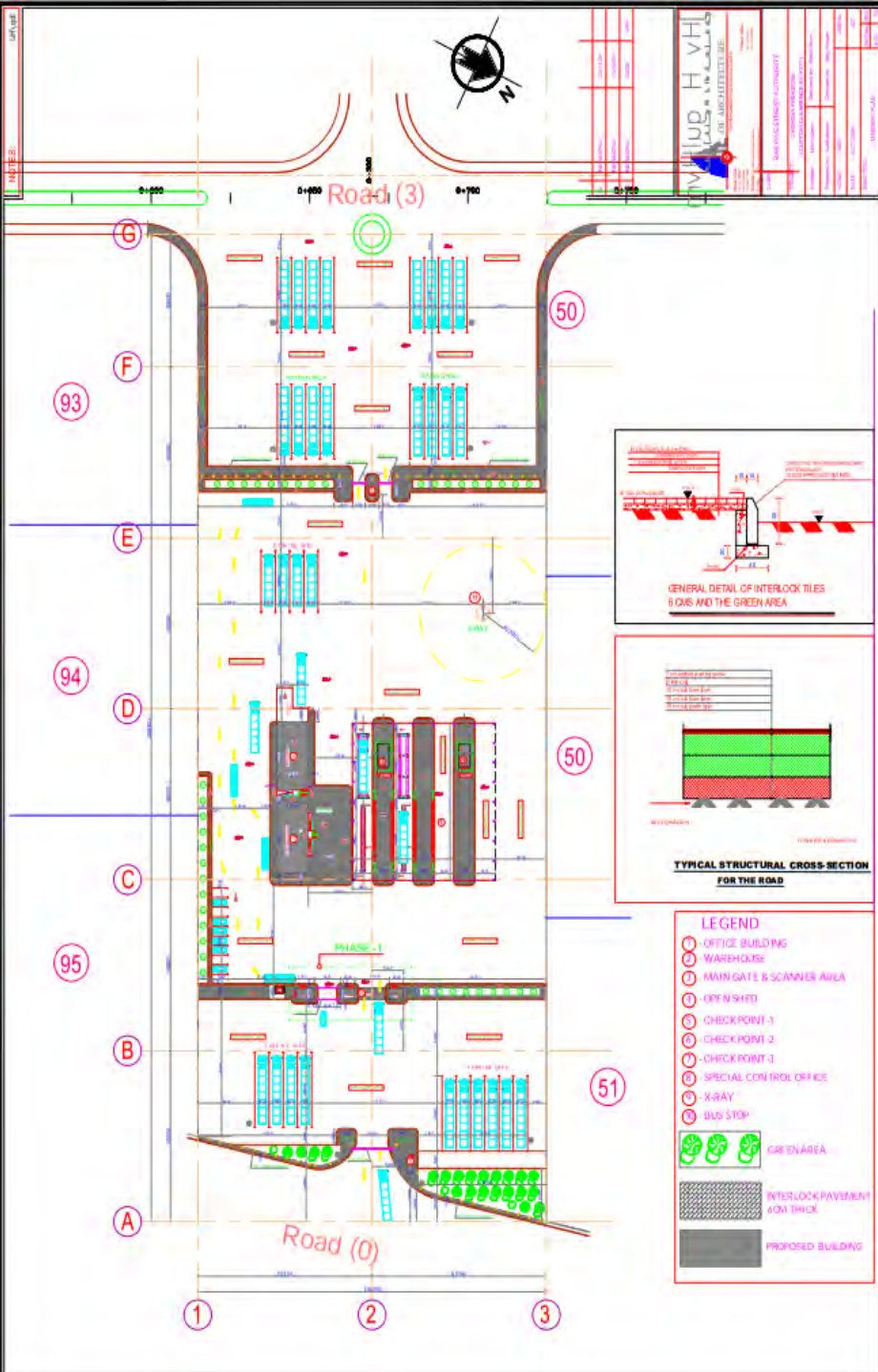


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Planned New Port aligned with Poti FIZ

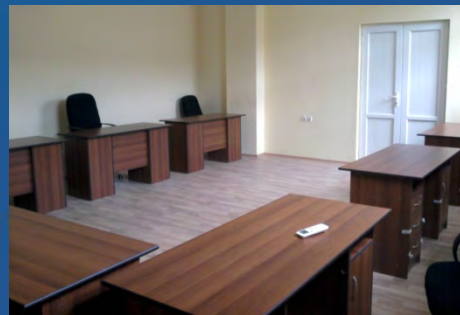
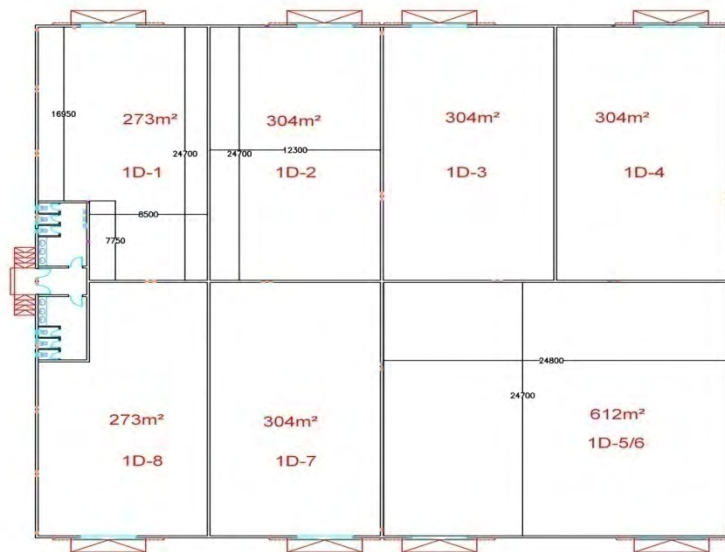
Customs Zone





POTI FREE INDUSTRIAL ZONE

Facilities



Warehouses – from 5.5 USD per 1 sqm/month
Offices – from 10 USD per 1 sqm/month
Smart Offices – from 1900 USD annually



POTI FREE INDUSTRIAL ZONE

Advantages Of Poti Free Zone



Country General Advantages

- Stable democracy;
- Investor friendly environment, transparent laws and regulations;
- Low living costs;
- No restrictions on hiring expats;
- Minimum transaction and conversion cost, efficient international banking services;
- Project financing available through local and international banks;
- Safe living conditions;
- Located on the gateway of ancient Silk Road connecting west and east and vice versa;
- Wide access to the EU&CIS with over 1 billion population market;
- Simple country entrance, visa and residence procedures



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POTI FREE INDUSTRIAL ZONE

Advantages of Poti Free Zone



Economic/Trade Advantages

- #1 Reformer in the world in 2006 (according to World Bank Doing Business Survey 2007);
- #9 country in the world in terms of Easiness of Doing Business in 2012 by World Bank
- Corruption-free Environment;
- 460% Increase in budget revenues since 2003;
- Free Trade Agreements of Georgia with Turkey and CIS countries;
- 7,200 Categories of goods Georgia can export quota and tariff-free to EU & Turkey under the GSP+ regime. GSP system with USA, Canada, Switzerland, Japan;
- Freedom of transit;
- 0 Score in difficulty of the hiring and firing indices in the 2008 World Bank Doing Business Survey – one of the best Labor Codes;



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POTI FREE INDUSTRIAL ZONE

Advantages Of Poti Free Zone



Tax Advantages

- 0% tax on import-export
- 0% on VAT
- 0% tax on profit
- 0% tax on property
- 0% tax on dividend

Operational Advantages

- World class Infrastructure;
- Easy Business Set-up;
- “One Stop Shop” system;
- 100% ownership in FIZ;
- 100% capital & profit repatriation;
- No minimum capital required
- Low Licensing costs;
- Low warehouse/office leasing tariffs;
- Low cost of skilled/semi skilled/unskilled labor;
- Low cost of utilities



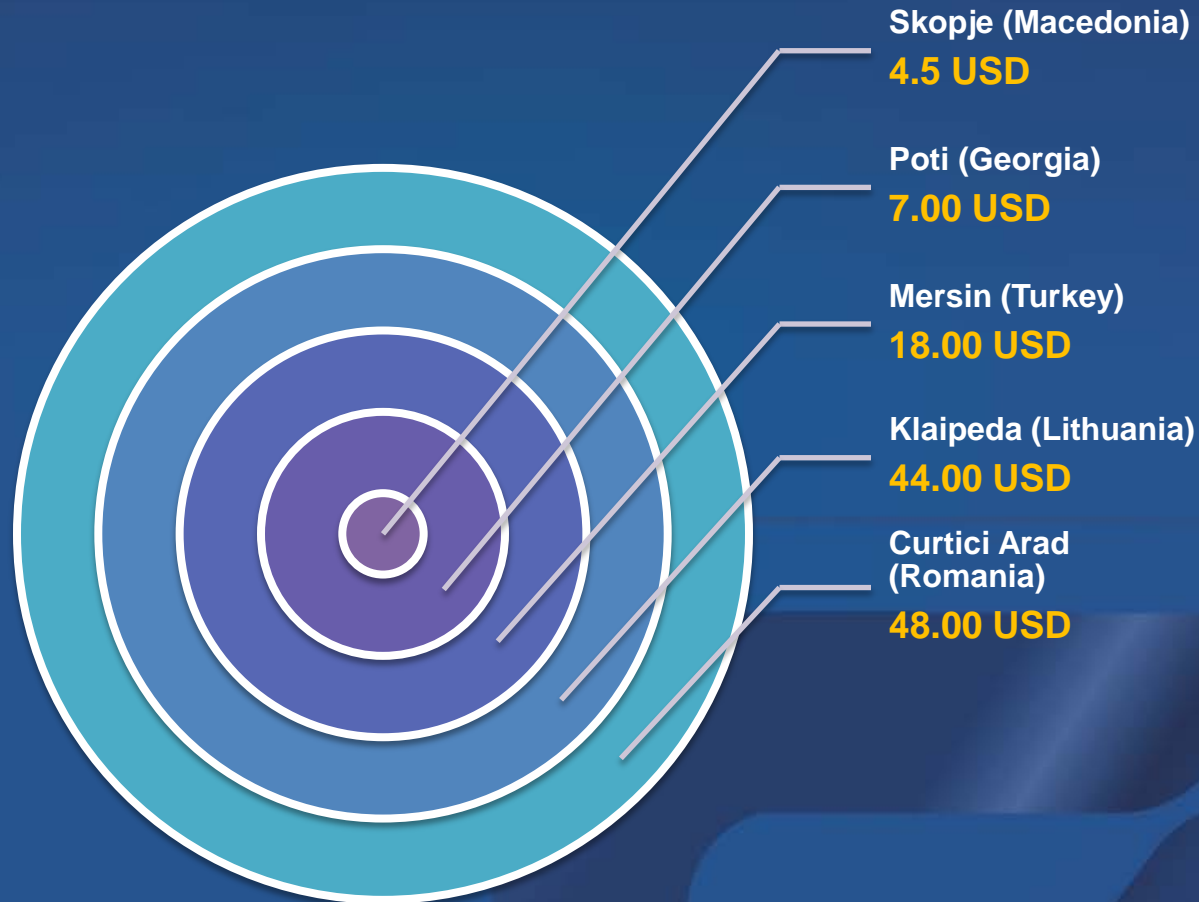
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Competitive Advantages

Land Lease Tariffs

USD/sqm per year





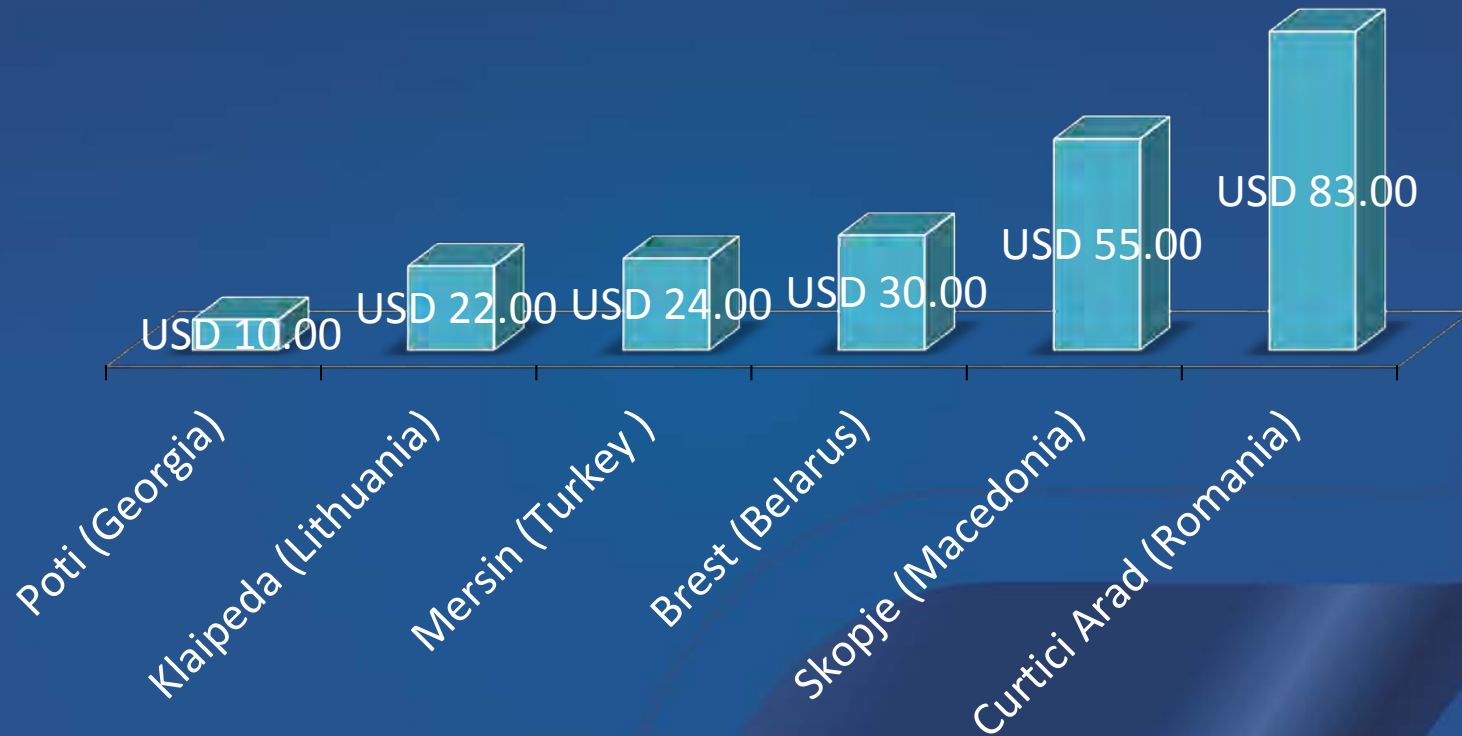
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Competitive Advantages

Official Rental

USD/sqm/month



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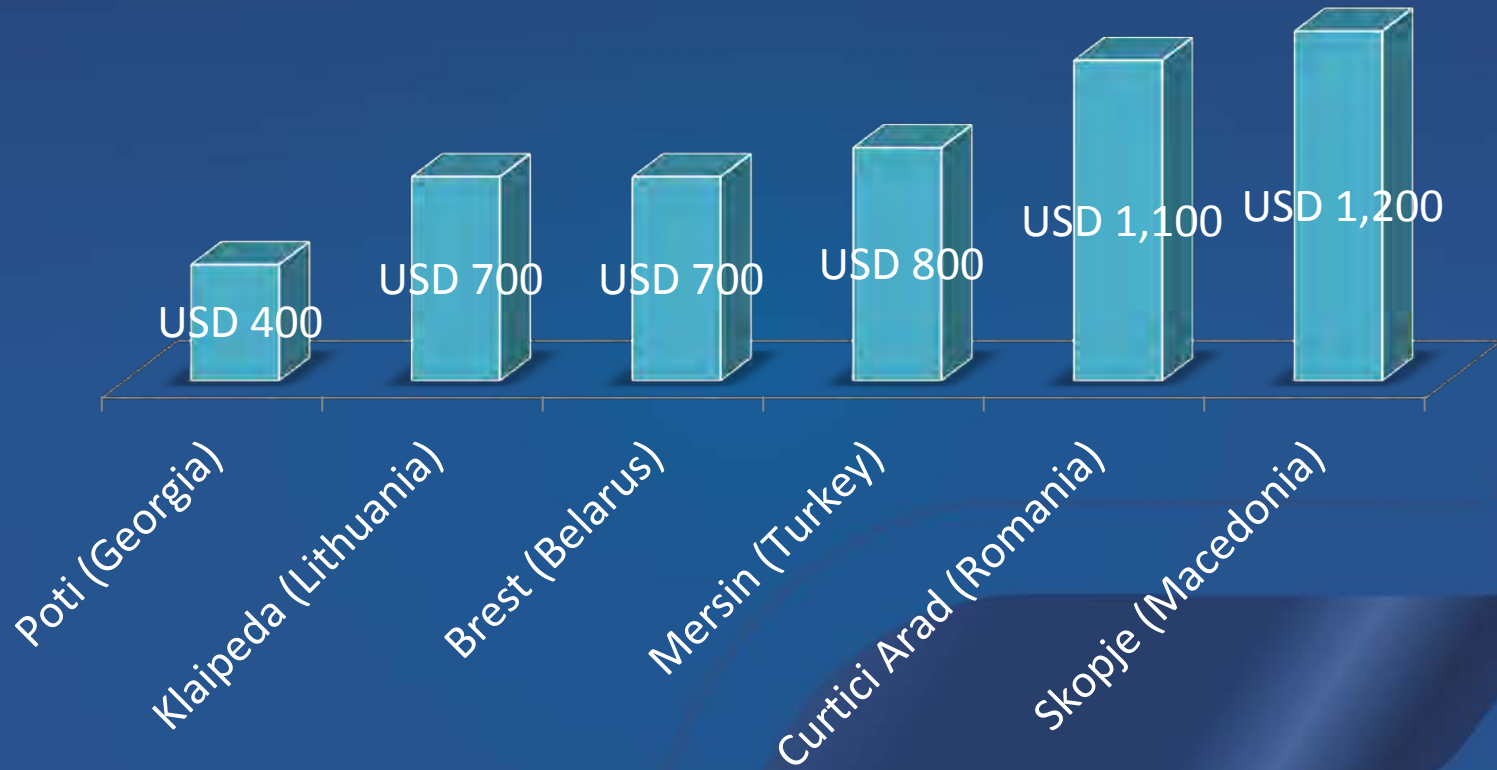
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Competitive Advantages

Housing Rental

USD/sqm/month



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Competitive Advantages

Electricity Rate For Industrial Use USD/KWH



Set Up Process

License Types

- Manufacturing & Commercial
 - General Trading
 - Special Trading
 - Warehousing
 - Consulting
 - Services
 - Logistics
 - Contracting
- Financial/Banking



Business Set Up Process



Steps

- Complete & submit simple application form with MOU.
- Documentation is reviewed, approval granted and FIZ license issued within ONE day.
- State Registration procedures, including bank account opening is carried out in 1 day.

Company registration can also be carried out without the physical presence of the owners



Current Investors

Total Licensees	2009	2010	2011	2012	2013 (March, 15)	Total
Manufacturing	4	4	4	6	2	20
Trading	4	11	41	105	13	174
Consulting	1	2	4	2		9
Services		5	4	2	1	12
Contracting		3	1	1		5
Logistics				2	2	4
Total	9	25	54	118	18	224

Key Investment Sectors

- Manufacturing
 - Small/Medium Enterprises
 - Processing/Assembly/Packaging
 - General and Special Trading
 - Warehousing & Cold Storages
 - Transport & Logistics
 - Financial Services, Insurance & Professional services
- (Phase II)

Current Investors

Current Major Investors (Updated)

Perdue (USA)
Alchemist GBT Int (India)
Georgia Gold (India)
Granume Trade (Russia-Ukraine)
Paud Pioneer Technologies (Iran)
Fixed Pipelines (UAE)
Global Gases Georgia (UAE)
CaucasChem Trade (Armenia)
TOP Group FIZ LLC (Iran)
Aroma Fragrances (Ukraine)
Dana Group (Armenia)
Vintage (Ukraine)
3MG (UAE)
Polychem (Iran)
Atol Paint Co (UK)

International Recognition



WELCOME TO POTI
FREE INDUSTRIAL ZONE

A GATEWAY TO OPPORTUNITY FOR INVESTORS

Awards

_BID Century International Quality Era Award in the Gold Category for
RAKIA GEORGIA FREE INDUSTRIAL ZONE Recognized for
Commitment to Quality, Leadership, Innovation and Technology

Contact Details

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